

## Cash dries up, market loses momentum

- VNIndex fluctuated sideways in October. VNIndex tested 690 level for 4 times and dropped to support level 670 twice within October. As of staying at high level of 690 at early of the month, selling pressure guided market to go down. However once VNIndex approached to 670 level at mid-October, bottom fishing emerged to rescue the market. For the whole month, the market had tried to conquer 690 several times, however money flow was not strong enough to support market. Market sentiment was cautious in general. The money flow hibernated then made investors lose patience. Consequently, selling pressure came back at the end of the month.
- Monthly review, VN-Index had 10 trading sessions of decline, which eroded VN-Index 6.36% and 11 trading sessions of advance, lifted VN-Index by 4.91%. Closing October, VNIndex decreased to 675.8, -9.93 points or -1.45% MoM. Trading volume slightly increased to 2.68 billion shares, +2.68% and trading value tumbled to VND50.7 trillion, -17.5% MoM. HNX also went down to 82.3 points, -3.24% MoM with trading volume at 877 million shares, flat MoM and trading value dropped by 11.84% MoM.
- Top advancers of the month include: ROS lifted VN-Index by +1.67%, TCH +0.25%, VNM +0.22%, FLC +0.08% and MWG +0.06%. In the opposite direction, those dragged the VNIndex including GAS, dumped VNIndex by -0.63%, VCB -0.45%, BVH -0.35%, VIC -0.34 and HPG -0.31%.

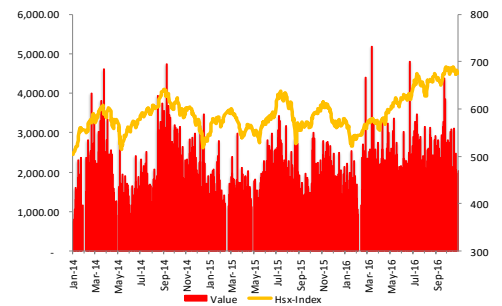
## Foreign investors revert to net buy

- Foreign investor had a net buy position after 2 months strongly selling. The trading value of foreigner was thin comparing with prior month. On HSX, foreigner had a net buy amount of VND71 billion however in term of trading volume, foreigner played as net seller with 33 million shares. Noticeably, after 2 months of being sold, VNM was bought strongly. In conclusion, net buying stocks were VNM at VND465 billion, CII at VND399 billion, PVD at VND65 billion, KDH at VND52 billion, GAS at VND37 billion. On the contrary, CTD was dumped at VND182 billion, VHC at VND169 billion, VIC at VND139 billion, SBT at VND135 billion and HSG at VND126 billion. Foreigner also activated their buy position in HNX at the net amount of VND40 billion
- At the end of October, 2 foreign ETFs were net sellers at total amount of USD7.1 million, of which DB X-Tracker FTSE Vietnam Index ETF sold more than USD2.7 million and Market Vector Vietnam ETF balanced the rest of net sold amount of USD4.4 million.

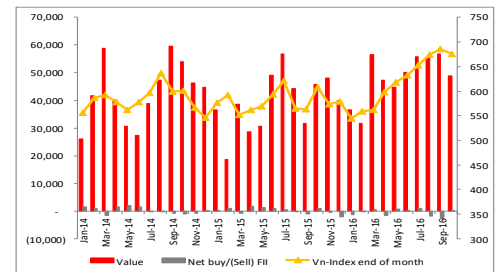
## Attractive valuation at 670-690 to draw attention

- Closing October, market fluctuated at 670-690 range. After one-month correction, a number of bluechips declined by 15-20% month to date which offers the buying opportunity. Although foreign investors eased their selling, however the strong signal of turn-around point has not come yet as of weak money flow. The cautious sentiment maintains when public debt has piled up. In addition, positive quarterly earnings have been priced in. Hence, for November strategy we think smart money will seek the bluechips which were declined sharply in previous month, the result of US election will significantly impact to global market, including Vietnam and prelisting stocks such as Sabeco, Novaland will absorb a certain part of market resource. We continue to recommend real estate, steel, diversified financials, retail and F&B stocks, which usually enjoy strong Q4 earnings.
- From the view of technical analysis, VN-Index will continue to go sideways at 670-690 when some key indicators such as RSI, Stochastic, MACD show demand weakening. The short-term supporting level of is downgraded to 650-660 meanwhile the resistance level is maintained at 690. When the money flow recovers, the market will have energy to win 700 level.

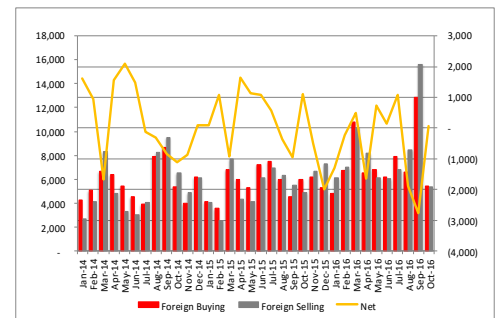
Vn-Index (RHS) & Daily trading value (bVND-LHS)



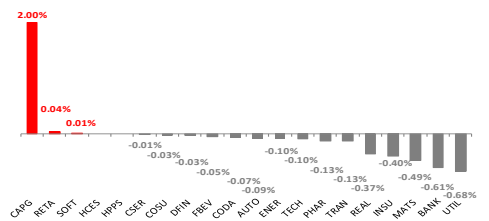
Monthly Trading value (bVND-LHS) & Foreigners activities (bVND-RHS)



FOREIGN TRADING VALUE AND THEIR NET POSITION (bVND)



INDUSTRIAL CONTRIBUTION TO VN-INDEX 10-2016



INDUSTRIAL PERFORMANCE

